



# HRIS Upgrade Project – ITAC

## March 1, 2018

# Background

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- Problem:
  - HRIS was implemented in January 2004
  - No upgrade since April 2012
  - Current version is 9.0.1 – several versions behind support and has over 600 customizations
  - Hosted in State of Arizona Data Center which is scheduled to close December 31, 2018
- FY 18 - appropriated \$500k for feasibility study, updated draft completed Feb 2018
- Risks
  - Operational risk to payroll, benefits and core HR due to limited technical resources to maintain product
  - Currently in second extension to extended support
  - Lose critical patches that impact security, along with tax and legal updates
  - Due to extensive customizations Infor is limited in its ability to provide support under the current environment

# Background - Risks (continued)

## Components covered by various Infor Maintenance Plans

Components	Mainstream Maintenance (Only available with upgrade)	Extended Maintenance (30% cost increase) No Upgrade	Legacy Maintenance (Cost on Time & Materials basis) No Upgrade
Major releases/technology releases	X	X	X
Infor Xtreme access	X	X	X
Infor Xtreme access support	X	X	X
Upgrade scripts	X	X	Only Pre-existing
Updates and fixes	X	Only P1 - Critical	Only Pre-existing
Critical patch updates	X	X	
Third Party Product Certification (existing)	X	X	
Tax, Legal, Regulatory updates (i.e. BSI)	X	X	
Tax, Legal, Regulatory enhancements	X		
Third Party Product Certification (new)	X		
Most new Infor product certification	X		

## HRIS Feasibility Study Results

- Provided six options that were evaluated on technical alignment, process alignment, organizational alignment, user experience, costs, and implementation risk.
  - Option 1: No business process improvement (BPI) and No Upgrade
  - Option 2: BPI and No Upgrade
  - Option 3: BPI and Upgrade to v10
  - Option 4: BPI and Upgrade to v11
  - Option 5: BPI and Replace current system with new HRIS system without Cloud
  - Option 6: BPI and Incrementally replace current HRIS solution with Cloud based solutions
- Feasibility Study Recommendations:
  - Short-term: Upgrade to Infor v10 and provide time to procure a solution to meet State's longer-term business needs
  - Medium-term: Automate HCM business processes with Cloud solutions for Learning, Performance Management, and Scheduling and Time Capture
  - Longer-term: Procure and implement new Cloud solution(s) for core HRIS functionality

## Options ADOA Considered

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- Move to Infor, Upgrade
  - Upgrade HRIS S3-V10/LTM-V11
  - Migrate to Infor managed application services/cloud
  - HRIS Upgrade project aligns with option 3 (v10) and option 4 (v11) of the Feasibility Study
- Move to IO data center (DC), No Upgrade (new infrastructure)
  - Purchase new hardware for High Availability (HA)
  - Migrate Existing production into new hardware
  - Upgrade backup software & migrate backup storage to AWS
  - Improve Disaster Recovery (DR)
  - Continue existing HRIS application support model
- Move to Cloud (host existing HRIS Infrastructure in cloud)
  - Move all environments (Dev, Test, Production, & DR to cloud environment
  - Upgrade HRIS S3-V10/LTM-V11 (separate project/costs)
  - Continue existing HRIS application support model



## Options ADOA Considered (continued)

Option	Budget Impact – 3 Fiscal Year Total	Risks	Comments
A – Move to Infor & Upgrade	<p>\$2.32 M</p> <p>No new funding - to be paid by re-purposing existing funding authority</p> <p>(FY 18 - \$.786 M)</p> <p>(FY 19 - \$1.447 M)</p> <p>(FY 20 - \$.088 M)</p>	<ul style="list-style-type: none"> <li>- Time Constraints (Requires start date no later than March 1, 2018)</li> <li>- Organizational Change</li> </ul>	<ul style="list-style-type: none"> <li>- Alignment with draft feasibility study short term recommendations</li> <li>- Operational risk is greatly reduced</li> <li>- \$600K Combined operational cost reduction in FYs 20 &amp; 21</li> </ul>
B – Move to I/O & no upgrade	<p>Minimum \$3.35 M</p> <p>(Plus upgrade or replacement cost at a future date)</p> <p>(FY 18 - \$.23 M)</p> <p>(FY 19 - \$2.11M)</p> <p>(FY 20 - \$1.01 M)</p>	<ul style="list-style-type: none"> <li>- Operational &amp; Technical Risk – turnover &amp; lack of available resources; system stability (e.g., no tax updates)</li> <li>- Software Support End of Life</li> <li>- Infor begins charging for legacy support/maintenance (includes a minimum \$1.3 M)</li> </ul>	<ul style="list-style-type: none"> <li>- Status quo, no increased functionality, limited ability to implement process improvements &amp; efficiency</li> <li>- Significant negative impact to employees as a result of incorrect taxes, deferred compensation limits</li> </ul>

# Any Questions?

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